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Zagallai in Colorado, Tafoya under police escort in New Mexico: An apparent hit list and a Tripoli telex number

Kaddafi's U.S. Connection

Even as the Reagan Administration denounces Col. Muammar Kaddafi's international troublemaking, other Americans have quietly become involved in a profitable new growth industry: supplying Libya's strongman with the tools and techniques of subversive warfare. Often drawing on backgrounds in the CIA or Green Berets, Kaddafi's various American contacts have set up training camps in Libya for instruction in night fighting, silent killing and such dark arts as booby-trapping alarm clocks or ash trays. Some have illegally shipped arms and explosives to Libya. And Federal investigators charge that some have even served as hit men in plots against Libyan dissidents in other countries—including the United States.

Kaddafi denies the existence of any such American connection. "There are no Americans training Libyan troops," he told NEWSWEEK. He also denies that the assassinations of anti-Kaddafi dissidents in Western countries—at least ten such murders have occurred in the past two years—were deliberately ordered by his regime. "They were individual actions by members of revolutionary committees, and these individuals are responsible," Kaddafi insists. "Libya cannot accept responsibility, just as no one holds the United States responsible for the man who killed Kennedy or the man who tried to kill Reagan."

Evidence: Despite Kaddafi's disclaimers, U.S. courts and law-enforcement agencies have evidence that Americans serving Kaddafi's interests, as well as Libya's own diplomats, have been involved

in murderous intrigues. Last May the Reagan Administration ordered Libya to close its embassy in Washington after the FBI reported that the embassy was a center of murder plots. Since mid-1980 the FBI has warned more than 100 Libyans living in the United States that they may be on a hit list, marked for death or bodily harm. One exile, a Colorado State University sociology student named Faisal Abuldaze-Zagallai, survived two bullet wounds in the head after being shot at close range in his home last year. His accused assailant: Eugene Tafoya, a former Green Beret who reportedly won the Bronze Star in Vietnam and who allegedly took his orders from Libya.

Even that may prove to be only the tip of American involvement in an apparent Libyan terror network. Washington sources say that Tafoya, who is being held on \$500,000 bail pending trial on charges of attempted murder, had what appeared to be a list of others marked for assassination. At the time of his arrest, Tafoya was carrying the Tripoli telex number of Edwin Wilson, a former CIA agent suspected of playing a key role in the training and supplying of Libyan commandos. Last year Wilson and another former CIA agent, Frank Terpil, along with a California explosives manufacturer named Jerome Brower, were indicted in Washington for running guns to Libya in 1976 and 1977. Charges could be filed as early as next month against a half-dozen more suspects in the Wilson-Terpil network, which is under investigation by the Treasury Department's Bureau of Alcohol, Tobacco and Firearms.

So far, the most prominent figures in Kaddafi's American connection are Wilson and Terpil. According to the Federal indictment, the two ex-CIA operatives arranged with Brower to supply Libya with 40,000 pounds of illegal explosives. Wilson and Terpil allegedly arranged for the manufacture of delayed-action timers for the explosives. The Americans claimed that their job in Libya was to clear out old mine fields for American oil companies exploring in the desert. But the real plan, according to the files of one of the front companies Wilson established, was to train Libyans in "covert operations, employing the latest techniques of clandestine explosive ordnance."

Profits: The profits for Wilson, who already owned a 2,500-acre estate in Virginia's hunt country, were enormous. Kevin Mulcahy, 38, a former CIA computer and communications expert who worked for Wilson and Terpil in 1976—and who became the government's witness against them—told NEWSWEEK that the initial contract with the Libyans was for "\$10 million, and it would have cost us less than \$1 million to supply." Terpil himself bought a \$250,000 town house in London and a \$600,000 lodge in the British countryside.

Both Wilson and Terpil have been linked to Libya. The government's indictment accuses Wilson of having hired an assassin in 1976 in an abortive plot to kill Umar Abdullah Muhayshi, a Libyan defector living in Cairo. And a .38 revolver found at the scene of the murder last year of Muhammad Mustafa Ramadan, a Libyan dissident in London, has been traced to a friend of Terpil's. A Federal grand jury in Fresno, Calif., recently indicted six men on